

Topic: Expenditure Reporting

From: Dorothy Rothrock and Luisa Menchaca

1. Consider adjustment of regular expenditure disclosure thresholds (e.g. from \$100 to \$200: more than \$200)

Recommendation: Agree that inflation justifies an increase to this threshold at Section 84211 to \$200. The threshold was last increased from \$50 to \$100 in 1979. (Ch. 650 Stats. 1979.) Consider regulatory change to Regulation 18401 to increase recordkeeping threshold from \$25 to \$50 for the same reasons.

Rationale:

- In furtherance of purposes of the Act, an adjustment to account for inflation reflects the balance struck between disclosure and burdens for reporting in the original initiative.
- There is precedent for this adjustment in other thresholds that have been adjusted since 1974 (gifts, penalties, etc).

2. Consider inclusion of date of expenditure on reports and review with reports simplification group.

Recommendation: We agree that this should be required. Inclusion (by amending Section 84211) will align expenditure reporting to other reporting requirements, such as the date of and amount for each contribution (Section 84211, subdivision (f)). Inclusion of the date assists in auditing of campaigns and in determining overall compliance with the reporting provisions of the Act.

Rationale:

- Contributions within a six month period, for example, are easier to track and ensure that other reporting requirements associated with levels of expenditures are complied with.
- This is not a significant burden as campaign should have this information readily available.

3. Consider raising disclosure threshold for media purchases or itemization requirement for media station/outlet disclosures.

Recommendation: No change in \$500 disclosure threshold as specified in Section 84303.

Rationale:

- No showing that the current threshold is a burden for the reporting of these direct transactions.
- Most of these expenditures are large anyway and would trigger a higher threshold. If the expenditures are low, as in the case of a local campaign, the threshold should remain low for reporting for that very reason.

4. Consider raising sub-vendor disclosure threshold for petition circulator's and GOTV programs' disclosure of indirect circulator or GHTV worker' payments.

Recommendation: Raise threshold to \$1000 for state and local campaigns, leave local campaigns the option to require disclosure at a lower level based on local ordinance.

Rationale:

- The threshold for reporting sub-vendors for certain categories of campaign expenditures as suggested in this item may be increased for state-wide campaigns. See McPherson II.
- Local campaigns can be very small, and the option for a lower level should remain.